

65 – INDEPENDENT AGENCIES – REGULATORY

407 – PUBLIC UTILITIES COMMISSION

CHAPTER 395 – CONSTRUCTION STANDARDS AND OWNERSHIP AND COST ALLOCATION RULES FOR ELECTRIC DISTRIBUTION LINE EXTENSIONS

SUMMARY: This Chapter establishes the requirements for persons who construct electric distribution line extensions, including the development and approval of construction standards qualifications to perform tasks associated with building line extensions, and dispute resolution procedures. In addition, it governs the ownership of electric distribution line extensions and the method for reapportioning construction costs among customers who receive service from them.

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NOTE concerning cross-references in this Rule:

Where a provision in this Rule refers to a location in this Rule that is outside of the section in which the reference is located, it refers to “section 4” or “section 6(B)(2).”

Where a provision in this Rule refers to a location that is within the same section as the reference itself, it will refer to “subsection A above” or “subsection C(2) below.” (Subsections are lettered A,B,C, etc. and are at the first indent level in each section.)

Where a provision refers to a location within the same subsection, it will refer to “paragraph 2 above” or “paragraph 5(c) below.” (Paragraphs are numbered 1, 2, 3, etc. They are part of a subsection and are at the second indent level in a section.)

§ 1 DEFINITIONS

The following definitions apply to the provisions of this Chapter:

A. Contribution in Aid of Construction (CIAC). A “contribution in aid of construction” (or “CIAC”) is a payment to a transmission and distribution (T&D) utility for the construction of an electric line extension that is taxed as income to the T&D utility.

B. Contribution of Facilities. A “contribution of facilities” is the transfer of ownership of a line extension to a utility for which the utility does not pay the transferring owner, and that is taxed as income to the T&D utility.

C. Development. “Development” means property owned or under the control of a single person, entity or association when that single person, entity or association has offered two or more parcels within the property for sale or it is reasonable to expect that two or more parcels within the property will be offered for sale.

D. Electric Distribution Line Extension. “Electric distribution line extension” means any new single-phase or polyphase distribution facility that will be connected to a T&D utility’s distribution system after the new facility’s completion. An electric distribution line extension does not include a “service drop” that is provided by a T&D utility without charge to the customer. For the purpose of reallocation of the costs of a line extension pursuant to section 9, a line extension shall be considered to last 20 years from the date that the line extension first provided service to a customer.

E. Interconnection point. “Interconnection point” means the point, located on a pole or other structure, that separates a line extension, or a portion thereof, that is privately-owned from electric distribution facilities (including a portion of the line extension) owned by the T&D utility.

F. Licensing Authority. “Licensing authority” means the “applicable licensing authority” defined in 35-A M.R.S.A. § 2502(1) that must issue a location permit pursuant to 35-A M.R.S.A. § 2503 for a person to construct or own facilities in a public way.

G. Line Extension. “Line extension” means an “electric distribution line extension,” as defined above.

H. National Electric Safety Code (NESC). “National Electric Safety Code (NESC)” is a set of standards developed by the Institute of Electrical and Electronics Engineers (IEEE) and approved by the American National Standards Institute (ANSI) that is designed to ensure safe installation, operation and maintenance of electric supply and communication lines and associated equipment, and that T&D utilities in Maine must comply with pursuant to the provisions of 35-A M.R.S.A. § 2305-A.

I. Person. “Person” means an individual, corporation, or any other legal entity.

J. Private Line Extension Contractor. “Private line extension contractor” means a person who is not an employee of a T&D utility or otherwise acting on the utility’s behalf and is constructing a line extension under a contract with a non-utility person.

K. Private Way. “Private way” means any location that is not a public way.

L. Privately-Constructed Line Extension. “Privately-constructed line extension” means an electric line extension constructed by a private line extension contractor.

M. Privately-Owned Line Extension. “Privately-owned line extension” means a line extension that is located on a public or private way and is owned by a person who is not a T&D utility.

N. Public Way. “Public way” means a street or public right-of-way that has been accepted and is owned or controlled by a municipal, county or state government.

O. Registered Professional Engineer. “Registered professional engineer” means a registered professional engineer licensed by the Maine Board of Registration for Professional Engineers.

P. Rural Utilities Service (RUS); RUS Standards. The “Rural Utilities Service” is an agency of the United States Department of Agriculture that provides loans and other assistance to cooperatives and utility districts that provide electric service in rural areas. “RUS standards” are the “Electric Standards And Specifications For Materials And Construction” contained in the regulations of the RUS at 7 C.F.R. Part 1728. The RUS requires that any utility that borrows money through the USDA loan program must follow the RUS standards.

Q. Service Drop. A “service drop” is the service cable or other conductor providing secondary voltage to the customer’s service entrance equipment from a transformer or from a secondary conductor located on the utility’s distribution system or on a privately-owned line extension.

R. Standard. “Standard” means a requirement that governs the design, construction and certification of an electric line extension that is approved and implemented pursuant to this Chapter. “Standards” include “utility line construction standards,” the NESC, and the RUS, if applicable.

S. Transmission and Distribution (T&D) Utility. “Transmission and distribution utility” means a person, its lessees, trustees or receivers or trustees appointed by a court, owning, controlling, operating or managing a transmission and distribution plant for compensation within the State.

T. Utility. “Utility” means a transmission and distribution (T&D) utility.

U. Utility Line Construction Standards. “Utility line construction standards” means the requirements, other than those imposed by the National Electric Safety Code (NESC) or the Rural Utilities Service (RUS), of a T&D utility that apply to electric distribution line extensions and that a constructor of a line extension must meet before, during, or after the construction of a line extension prior to the energization of the line. Utility line construction standards may be contained in a utility’s Terms and Conditions or in a separate document that is incorporated by reference in its Terms and Conditions. They include but are not limited to construction procedures and specifications for facilities and materials.

§ 2 PURPOSES AND APPLICABILITY

A. Purposes. The purposes of this Chapter are to ensure construction of safe and reliable electric distribution line extensions, to allow competition in the construction of line extensions to occur in an equitable and economically efficient manner, to govern ownership of line extensions, and to allocate construction costs among users of a line extension.

B. Applicability. The provisions of this Chapter apply to T&D utilities, to private line extension contractors, and to customers that own and/or connect to line extensions.

§ 3 STANDARDS FOR CONSTRUCTION OF LINE EXTENSIONS

A. Standards. All line extensions, whether constructed by a utility or a private line extension contractor, shall be constructed in compliance with the following standards:

1. NESC. National Electrical Safety Code (NESC), except as modified pursuant to 35-A M.R.S.A. § 2305-A(4);
2. RUS. Rural Utility Service (RUS), if the T&D utility is subject to oversight by the Rural Electrification Administration; and
3. Utility Standards. The line construction standards of the utility to whose transmission and distribution system the line extension is to be connected.

B. Submission of Standards

1. Terms and Conditions. All utility line construction standards shall be part of the utility's Terms and Conditions but may be located in a separate document and referenced in the main volume of the Terms and Conditions.

2. Submission; Approval. A T&D utility shall submit its initial utility line construction standards and any subsequent revisions to the Commission pursuant to 35-A M.R.S.A. § 307. The initial standards shall be submitted no later than 91 days (13 weeks) following the effective date of this Chapter. A T&D utility shall not implement a utility line construction standard until it receives the Commission's approval pursuant to subsection C(2) below, except as permitted by subsection C(3) below.

3. Interested Persons List; Comments.

a. List. Each T&D utility shall maintain a list of persons who have requested notice of and an opportunity to comment on its utility line construction standards.

b. Notice. Each T&D utility shall provide copies of its initial proposed utility line construction standards and any proposed revisions to persons on the list required by subparagraph a. When providing a proposed standard to persons on the list, the utility shall inform those persons that they have 35 days to provide comments concerning the utility's initial standards and 14 days for any revisions to the standards.

c. Consideration of Comments. The utility shall consider information it receives from persons submitting comments before it submits the initial or revised standards to the Commission and, in its filings, shall inform the Commission of the information it considered.

d. Emergency Revisions. If a T&D utility files a change to its standards as provided in subsection D below, it may make the filing without providing notice of the proposed change to persons on the list required by paragraph 3(a) above, but shall immediately thereafter send copies to persons on the list and within 7 days after receiving comments, inform the Commission of the information it received.

e. Changes Pursuant to Subsection E. If a utility makes a change to its standards that allows greater flexibility in construction requirements or procedures, or changes allowing alternative materials, as permitted by subsection E below, the utility shall provide notice to the persons on the list required by this subsection and on its website as soon as possible, either before or after the effective date of the change. Within 28 days following notice, the utility shall inform the Commission of any negative comments.

4. Requests to Adopt or Modify Standards; Investigations. Any person may request the Commission to require a utility to adopt or modify any utility line construction standard. Upon receiving such a request, the Commission may conduct an investigation pursuant to the provisions of 35-A M.R.S.A. § 1303.

5. Requests to Modify NESC. Any person may request the Commission to modify, delete or waive any requirement of the NESC pursuant to the provisions of 35-A M.R.S.A. § 2305-A(4).

C. Approval of Standards

1. NESC. A revision to a NESC standard shall apply to the construction and maintenance of line extensions pursuant to the provisions of 35-A M.R.S.A. 2305-A.

2. Utility Standards. The Commission shall consider and approve the Terms and Conditions encompassing utility line construction standards required by subsection B(1) above pursuant to the provisions of 35-A M.R.S.A. § 307.

3. Transition Period. Until the Commission approves initial utility line construction standards:

a. All persons constructing line extensions within a T&D utility's service territory shall comply with the utility line construction standards on file with the T&D utility; and

b. Standards for all persons constructing line extensions within a T&D utility's service territory shall be identical.

D. Emergency Revisions. If a T&D utility believes a change to its standards is necessary because of an imminent risk to the safety of the public or of utility employees, the utility may submit the proposed change to the Commission with a request that the Commission approve the change on less than 30 days notice. The utility shall provide notice of the proposed change to persons on the list required by subsection B(3) above, and information about any comments it receives as required by subsection B(3)(d) above.

E. Changes Allowing Greater Flexibility in Construction Requirements or Procedures; Changes Allowing Alternative Materials

1. More Flexible Standard. If a utility files a change to its standards and represents to the Commission that the change allows less stringent or more flexible construction requirements or procedures, or alternative or substitute materials, the change shall become effective immediately.

2. Term and Condition Allowing Alternative Materials. A utility may include a general provision in its standards (Terms and Conditions) stating that utility personnel may specify or approve an alternative for a material required by the standards if the alternative is of the same or better quality. A utility with an approved Term and Condition permitted by this paragraph shall designate a contact person for the purpose of allowing private line extension contractors and other persons to make a request to use an alternative material. A utility that begins to use or approves an alternative material pursuant to a general Term and Condition permitted by this section shall update its materials standards as soon as possible thereafter if the alternative may be used on an ongoing basis. A utility that makes any change in methods, procedures or permitted materials pursuant to this subsection shall provide notice of the change as provided in subsection B(3)(e) above.

F. Availability of Standards

1. NESC. A T&D utility shall provide a means by which an interested person may obtain a copy of the NESC or information about how to obtain a copy.

2. RUS. If a utility must comply with the RUS standards (7 C.F.R. Part 1728), it shall provide a means by which an interested person may obtain a copy of those standards or information about how to obtain a copy, and shall maintain an internet link to those standards if it has a website and the standards are available on the internet.

3. Utility Standards. A T&D utility shall maintain a copy of its utility line construction standards at its central administrative office and on its website, if it has a website. A T&D utility shall provide a copy of its utility line construction standards to

any person upon request. The T&D utility may impose a fee that does not exceed its cost of producing the copy of the standards requested.

§ 4 DETERMINATION OF LINE EXTENSION AS SAFE, RELIABLE AND IN COMPLIANCE WITH STANDARDS

A. Determination Required. Before a line extension in a public or a private way is energized, the private line extension contractor or an owner of a line extension must obtain one of the determinations required by this section.

B. Determination by T&D Utility. Upon the request of a private line extension contractor or an owner of a line extension, a T&D utility employee designated by the T&D utility shall inspect the line extension within 5 business days of the request and determine whether the line extension is safe; or

C. Determination by Others. Either (1) a registered professional engineer or (2) a person licensed to certify electric distribution line extension construction by the Maine Office of Licensing and Registration or by another State agency designated by law shall determine and state in writing that the line extension is safe, reliable, and constructed in compliance with the standards required by this Chapter.

D. Dispute. In a period of widespread power outages caused by weather or other emergency conditions, the T&D utility may extend by a reasonable number of days the 5-day period required by subsection 4(B).

§ 5 DISPUTE RESOLUTION

A. Single Point of Contact. Each T&D utility and private line extension contractor must designate a contact person to deal with other persons and the Commission during disputes regarding the operation of this Chapter or any standards implemented pursuant to this Chapter.

B. Contesting Operational Procedures. Any person that constructs line extensions may contest an application or interpretation of this Chapter by a T&D utility or by a private line extension contractor. The contact persons designated pursuant to subsection A shall attempt in good faith to resolve the dispute. If the parties are unable to resolve the dispute within 3 business days, any party to the dispute shall have the option to request the Commission to initiate the dispute resolution procedures described in subsection C. In a period of widespread power outages caused by weather or other emergency conditions, any party to the dispute may extend by a reasonable number of days the 3-day period required by this subsection.

C. Commission Investigation. Following the dispute resolution process described in subsection B, a person participating in the process who is dissatisfied with

the result may request the Commission to investigate the dispute. The Commission may take any of the following actions to address the dispute:

1. Referral. Refer the dispute to the Department of Professional and Financial Regulation, the Maine Office of Licensing and Registration or other State agency that has licensing authority over the design, construction or certification of line extensions if the Commission believes it to be the appropriate jurisdictional authority;
2. Dispute Resolution. Conduct informal dispute resolution pursuant to Chapter 110 of the Commission's Rules; or
3. Investigation. Conduct a summary or formal investigation pursuant to 35-A M.R.S.A. § 1303.

§ 6 OWNERSHIP AND MAINTENENCE OF LINE EXTENSIONS

A. Ownership

1. Line Extension in a Public Way. Except as provided in subsection B(1), and except when a telephone utility owns, or jointly owns with the T&D utility, poles or other structures to which a T&D utility attaches its facilities, a T&D utility shall own all portions of a line extension located in a public way .
2. Developments. A T&D utility shall own a line extension that was constructed to serve a development if the line extension delivers power to any structures in the development.
3. Multiple Customers. A T&D utility shall own a line extension, wherever located, if more than one customer receives service from the line extension.

B. Ownership by Private Person Permitted

1. On Public Way; Single Customer. A person who is not a T&D utility may own a line extension that is located on a public way if it provides electric service to only one customer, and if the person complies with and obtains all necessary permits from the licensing authority pursuant to 35-A M.R.S.A. §§ 2305-B, 2503 and 2507. If a single customer receives electric service from more than one location on a line extension, including from separate meters, the person or entity shall be considered one customer for the purposes of this paragraph.
2. On Private Way; Single Customer. A person who is not a T&D utility may own a line extension that is located on a private way if it provides electric service to only one customer. If a single customer receives electric service from more than one location on a line extension, including from separate meters, the person or entity shall be considered one customer for the purposes of this paragraph.

3. Interconnection Points. A person who is not a T&D utility may own a pole or other structure containing an interconnection point, including a pole to which a riser conduit is attached, whether the structure is located on a private way or a public way, provided that the person complies with and obtains all necessary permits from the licensing authority pursuant to 35-A M.R.S.A. §§ 2305-B, 2503 and 2507 and the line extension connected to the interconnection point provides electric service to only one customer, as described in paragraph 1 above.

4. Developments. A person who causes the construction of a privately-constructed line extension that serves a development may own the line extension until the line extension delivers power to any structure.

5. Maintenance Obligations for Privately-Owned Line Extensions; Contract. A person who owns a privately-owned line extension must execute a written contract with the T&D utility, which the utility must file with the appropriate registry of deeds. The contract shall require the person to:

a. Maintenance. Maintain and repair the privately-owned line extension, including any pole or other structure containing an interconnection point, as required by the standards approval pursuant to section 3, and pay for any maintenance or repair that the utility must perform under the circumstances described in subsection C below;

b. Interconnection Point. Permit the utility unrestricted access to the interconnection point;

c. Transfer of Ownership. Transfer ownership to a T&D utility if required by sections 7(A), (B), or (C) of this Chapter; and

d. Licensing Authority Requirements. Follow all requirements imposed by the applicable licensing authority if the line extension is located in a public way, or if the interconnection point is located in a public way or affects activities of the licensing authority in the public way, and pay for any repairs, maintenance or moving of facilities performed by the utility under the circumstances described in subsection C(2) below.

6. Standard Form Contract. For the contracts required by Paragraph 4 above, a T&D utility shall use a standard form contract filed by the utility and approved by the Commission or the General Counsel of the Commission. If a T&D utility enters into a contract that differs from an approved standard form contract approved by the Commission, it shall obtain approval of the contract from the Commission pursuant to 35-A M.R.S.A. § 703(3-A). The Commission delegates to its General Counsel the authority to approve standard form contracts or revisions to those contracts and contracts filed pursuant to 35-A M.R.S.A. § 703(3-A).

7. Connection Obligations for Privately-Owned Line Extensions; Easements. A T&D utility may connect an additional customer to a privately-owned line extension, subject to the ownership transfer requirements of section 7(C), provided that the additional customer obtains any necessary easements. The additional customer shall grant all necessary easements to the T&D utility.

C. Required Maintenance or Disconnection of Privately-Owned Facilities by Utility

1. Public Way. When, as permitted under the provisions of subsection B above, a person who is not a T&D utility owns a line extension in a public way, and the T&D utility determines that the privately-owned line extension jeopardizes the safety of the public or utility employees or presents a risk to the reliability of the T&D distribution system, the T&D utility shall maintain or repair the line extension and shall charge the owner its cost of carrying out the maintenance or repair.

2. Private Property. When, as permitted under the provisions of subsection B above, a person who is not a T&D utility owns a line extension on private property, and the T&D utility notices that the privately-owned line extension jeopardizes the safety of the public or utility employees or presents a risk to the reliability of the T&D distribution system, the T&D utility may disconnect the line. If a T&D utility disconnects a line pursuant to this paragraph, it shall notify the customer of the disconnection and the reasons for the disconnection as soon as possible.

3. Interconnection Point. When, as permitted under the provisions of subsection B above, a person who is not a T&D utility owns a pole or other structure containing an interconnection point in a public way or on private property, and the T&D utility determines that the pole or other structure jeopardizes the safety of the public or utility employees or presents a risk to the reliability of the T&D distribution system, the T&D utility shall maintain or repair the facility and shall charge the owner its cost of carrying out the maintenance or repair.

4. Licensing Authority Requirements. When, as permitted under the provisions of subsection B, a person that is not a utility owns a line extension in a public way, or a pole or other structure that contains an interconnection point, whether within or outside the public way, and the licensing authority having authority over the public way determines that the line extension or interconnection point facility must be moved or repaired to carry out a highway or other activity of the authorizing licensing authority, the T&D utility shall move or repair the line extension and shall charge the owner the utility's cost of carrying out the move or repair.

5. Temporary Disconnection. A T&D utility may disconnect a customer temporarily while it performs the procedures necessary to comply with this subsection.

§ 7 TRANSFER OF OWNERSHIP; TAXES ON CONTRIBUTION IN AID OF CONSTRUCTION

A. Line Extensions in Developments. The ownership all line extensions in developments shall be transferred to the T&D utility prior to energization of the line.

B. Optional Transfer of Ownership. A person who owns a privately-owned line extension may request the T&D utility to assume ownership of the line extension. The T&D utility must assume ownership if the line meets the standards required by section 3, and the owner has made all the payments required by subsection E below. If the line extension does not meet the standards required by section 3, the owner of the line shall upgrade the line extension to those standards or request the utility to upgrade the line, subject to the payment requirements of subsection E(3) below. If the line was energized prior to the date of transfer, and the standards required by section 3 have changed since the line was energized, the line must be brought into compliance only with those changed standards that affect the reliability or safety of the line.

C. Additional Customers. If an additional person will be served by a line extension that is owned by a private person as permitted by the provisions of section 6 (B)(1) and (2), the ownership of all portions of the existing line extension and of any new line extension, extending from the existing line extension, that will serve more than one customer must be transferred to the T&D utility prior to energization of the new line. If the existing line extension does not meet the standards required by section 3, the new customer or customers shall cause the line extension to be upgraded to current standards that affect the reliability or safety of the line or request the T&D utility to upgrade the line extension to those standards, subject to the payment requirements of subsection F(2)(b) below.

D. Compensation to Customers for Transfers of Ownership of Line Extensions. If the Terms and Conditions of a T&D Utility require a person ordering or building a line extension to pay for all the costs of the line extension, whether built by the utility or by a private contractor, the utility shall not compensate an owner of a line extension that transfers ownership of a line extension pursuant to subsections A, B, or C of this section. If the utility's Terms and Conditions provide some portion of line extensions or line extension costs to customers without charge, its Terms and Conditions must also provide for compensation to an owner that transfers a line extension pursuant to this section, in an amount equivalent to the amount that would have been provided by the utility if it had built the line extension, if that amount has not already been provided to the owner of the line extension.

E. Cost Obligation of Owner Transferring Line Extension Pursuant to Subsections A or B. When an owner of a privately-owned line extension transfers ownership to a T&D utility pursuant to the provisions of subsections A or B above, the transferring owner shall pay the T&D utility an amount that includes:

1. Taxes on Contribution in Aid of Construction or Contribution of Facilities. Amounts that the T&D utility must pay in federal and state taxes for contributed facilities, reduced by the present value of the tax reduction the utility receives as a result of tax depreciation over the years of the tax depreciable life of the asset. The amount that the transferring owner must pay shall be calculated by:

a. Determining the amount of the income tax payable by the utility as a result of the contribution, pursuant to federal and State of Maine income tax law, using the utility's expected marginal federal and state income tax rates;

b. Determining the amount of tax depreciation for each remaining year of the tax depreciable life of the asset;

c. Determining the amount of income tax reduction resulting from tax depreciation over each remaining year of the tax depreciable life of the asset, using the utility's expected marginal federal and state tax rates;

d. Determining the present value of the amounts established by step c, using as a discount rate the weighted cost of debt plus the pre-tax weighted cost of equity as most recently determined in a Commission proceeding for an investor-owned T&D utility; and

e. Deducting the total amount established by step d from the amount of the calculated in step a;

2. Interconnection Costs. Costs incurred by the T&D utility for labor and materials required to carry out the physical interconnection of the line extension to the T&D utility's system;

3. Compliance Costs. Any costs incurred by the T&D utility to bring the line extension into compliance with the standards required by section 3, subject to the qualification contained in subsection B above;

4. Costs to Upgrade the Existing Distribution System. Costs incurred by the T&D utility for upgrades to the existing distribution system because of increased demand from a new customer that will be served by the line extension, if the utility has an approved Term and Condition requiring such payment;

5. Easement and Permit Costs. Costs incurred by the T&D utility to obtain or maintain easements or necessary permits, including but not limited to permits required by environmental agencies and authorized licensing authorities; and

6. Other Costs. Other costs as specified in the T&D utility's Terms and Conditions.

F. Cost Obligation of Owner Transferring Line Extension Pursuant to Section 7(C). When an owner of a privately-owned line extension transfers ownership to a T&D utility pursuant to the provisions of subsection C above, so that line may serve another person, the following payments shall be made:

1. Taxes on Contribution in Aid of Construction. The owner of the existing line extension and the additional person or persons to be served by the new line extension shall pay the T&D utility amounts that the T&D utility must pay in federal and state taxes for contributed facilities, reduced by the present value of the tax reduction the utility receives as a result of tax depreciation over the years of the tax depreciable life of the asset, using the method contained in subsection 7(E)(1) above. The total payment required by this paragraph shall be allocated among the transferring owner and the new customer(s) pursuant to the customer shares established under section 9(E)(1)(a).

2. Other Costs. Prior to the energization of any facilities, including a service drop, that will serve an additional customer or customers who will be served by the existing line extension, either directly or through a new line extension connected to the original line extension, the additional customer or customers shall pay the T&D utility:

a. Interconnection Costs. The utility's costs to connect those customers directly to the original line extension or to connect any new line extension serving those customers to the original line extension;

b. Compliance Costs. Costs incurred by the T&D utility to bring the existing line extension into compliance with any subsequent changes to the standards required by section 3 that affect reliability or safety;

c. Costs to Upgrade the Distribution System. Costs incurred by the T&D utility for upgrades to the existing distribution system due to increased demand from the new customers, if the utility has an approved Term and Condition requiring such payment;

d. Easement and Permit Costs. Costs incurred by the T&D utility to obtain or maintain easements or necessary permits, including but not limited to permits required by environmental agencies and authorized licensing authorities;

e. Reallocation Payments. All amounts required by section 9(c)(2); and

f. Other Costs. Other costs as specified in the T&D utility's terms and conditions.

§ 8 ENERGIZING AN ELECTRIC LINE EXTENSION

A. Certification. A T&D utility shall not energize a privately-constructed line extension until after the determination required by section 4 has been provided. Notwithstanding the determination required by section 4, the T&D utility shall inspect the line. If it determines that energization of the line extension would jeopardize the safety of any person, or would jeopardize the reliability of the utility's distribution system, it shall not energize the line. If it determines that the line extension does not comply with the standards required by this Chapter or may not provide reliable service to the customers who will be served by the line extension, it may refuse to energize the line. If the private line extension contractor or the owner disagrees with the utility's decision and refuses to make any of the modifications requested by the utility, the T&D utility shall initiate a dispute resolution process pursuant to section 5. When a determination has been made that all the requirements for energization contained in section 4 and this section have been satisfied, the T&D utility shall energize the privately-constructed line extension within 14 business days of that determination or on a later date established by mutual agreement of the parties. In a period of widespread power outages caused by weather or other emergency conditions, the T&D utility may extend by a reasonable number of days the 14-day period required by this subsection.

B. Pending Dispute Resolution. Pending the resolution of a dispute resolution process initiated under subsection A, the T&D utility shall not energize the line extension unless ordered to do so by the Commission.

C. Privately-Owned Line Extensions When Ownership is Transferred. Before energizing a new privately-constructed line extension that must be transferred to the T&D utility as required by section 7(A), or an unenergized line extension that may be transferred as permitted by section 7(B), a T&D utility shall determine that all the ownership transfer and payment requirements of sections 7(A), (B) and (E) are satisfied.

D. Privately-Owned Line Extensions Serving Single Customers. Before energizing a new privately-constructed line extension that will serve a single customer, as permitted by section 6(B), a T&D utility shall obtain the written contract required by section 6(B)(5) from the owner of the line extension and shall obtain any payments described in section 7(E)(2), (3), (4), (5) and (6).

E. Privately-Owned Line Extensions; Additional Customer. When the owner of a line on private property that serves only one customer is required by section 7(C) to transfer ownership of all portions of the line extension that will serve more than one customer, the utility shall not energize any new facilities, including service drops, that will provide service to the new customers who will receive service from the transferred line, either directly or through a new line extension connected to the original line extension, until it has obtained ownership of the required portions of the line, and the new customer(s) have made all payments required by section 7(F) and section 9.

§ 9 ALLOCATION OF LINE EXTENSION COSTS AMONG CUSTOMERS

A. Applicability. This section shall apply to all single phase and polyphase line extensions, except for line extensions located in a development.

B. Initial Allocation Required for Two or More Customers. If a line extension will serve two or more customers at the time it is energized, each customer shall pay the customer responsibility amount for that customer as determined pursuant to the allocation method of subsection D below.

C. Additional Customer

1. Reallocation. When an additional customer connects to a line extension within 20 years after the extension first provided service to a customer, the costs of the line extension shall be reallocated among all customers pursuant to the method described in subsection D below.

2. Payment by New Customer. The additional customer shall pay the customer responsibility amount for that customer determined pursuant to the allocation method in subsection D below.

3. Distribution to Old Customers of Payment by New Customer. The utility shall distribute the amount paid by the new customer to the previous customers who have attached to the line extension. The amount paid to each previous customer shall equal the amount of that customer's responsibility under the prior allocation minus the amount of that customer's responsibility under the new allocation.

4. Substitution of Customer. If a customer who previously attached to the line extension is no longer a customer at the same location on the line extension, the T&D utility shall make the payment required by this subsection to the customer currently receiving service at that location.

5. Loss of Customer Location. If a customer service location previously connected to the line extension during the 20-year allocation period no longer receives electric service, and new customers connect to the line, all future reallocations shall be modified as follows:

a. Customer Share. The "customer share" calculation in subsection D(1) below shall exclude the former customer location; and

b. Cost; Customer Responsibility. The "current total cost of the line extension" amount, determined pursuant to subsection D(1)(b) below, shall exclude the customer responsibility amount of the last customer served at that location, as determined in the most recent reallocation of the line (pursuant to subsection D(1) below) that occurred while the customer location was still connected to the line extension.

D. Allocation of Line Extension Costs

1. Allocation Method. Each customer's responsibility for line extension costs will be determined by multiplying the following two factors:

a. Customer Share. The customer's share of the length of the line extension, which shall be equal to the length of the line extension that serves that customer exclusively plus, for each segment of the line extension that serves two or more customers, the length of that segment divided by the number of customers served by the segment, all divided by the total length of the line extension; and

b. Cost. The current total cost of the line extension, which shall be equal to:

(i) The cost of the original construction, as calculated pursuant to paragraph 2 below; plus

(ii) Amounts paid by customers to the utility pursuant to sections 7(E)(1) or 7(F)(1) to compensate the utility for taxes it paid as a result of a contribution in aid of construction or a contribution of facilities by an owner of the line.

2. Determination of Construction Cost

a. General Rule. Construction costs shall equal the amount paid to the T&D utility by customers for portions of the line extension constructed by the T&D utility, plus payments made to private contractors for each portion of the line extension that was privately-constructed. If those amounts cannot be reasonably established, the utility shall use its own average per-foot construction costs for the year in which the line extension was built, multiplied by the number of feet for the line extension.

b. Single-Phase Customer Served from Polyphase Line. Where a single-phase customer connects to a polyphase line, the construction costs for that customer shall be the costs of construction of a single-phase line extension. If the line was built originally as a single-phase line and later rebuilt as a polyphase line, the construction costs applicable to the single-phase customer shall be the costs for the original single-phase line. If the line was built originally as a polyphase line, the construction costs applicable to the single-phase line shall be the costs of constructing, on a stand-alone basis, a single-phase line in the same location.

3. Application of Allowance or Low-Income Support. If the Terms and Conditions of a T&D utility provide that all customers will receive a certain portion of the line extension without charge or provide for a credit, discount or other support for low-income customers, the amount of that allowance or low-income support shall be deducted from the customer responsibility amount, calculated pursuant to subsection D(1), for each customer who has received the allowance or support. The deduction

shall be made after the calculation of each customer's pre-allowance or pre-support customer responsibility. No deduction shall be made to the construction cost calculated pursuant to subsection D(2).

4. Allocation of Support or Other Monthly Charges. Where a utility charges line extension customers a support charge or other monthly charge, instead of, or in addition to, requiring a contribution in aid of construction, the charge shall be allocated pursuant to the customer share allocation factor in subsection D(1)(a) above.

E. Additional Line Extensions Added to Earlier Line Extensions. If a new line extension is built from the end of, or from any point along, an earlier line extension that first provided service to a customer within the past 20 years, new customers served by the newer line extension will be required to make a payment to the utility pursuant to subsection C above that the utility will then pay to existing customers served by the earlier extension. A customer served by the newer extension shall be considered as being located at the point at which the newer extension connects to the earlier extension, and the customer's share of the costs of the earlier line extension shall be calculated pursuant to subsection D above. The payment required by this subsection E is in addition to the payment that the customer must make for the costs of the newer extension. The requirements of this subsection E shall terminate after 20 years following the provision of first service to a customer from the earlier line.

§ 10 WAIVER

Upon the request of any person subject to the provisions of this Chapter or upon its own motion, the Commission may, for good cause, waive any of the requirements of this Chapter that are not required by statute. The waiver may not be inconsistent with the purpose of this Chapter or Title 35-A. The Commission, the Director of Technical Analysis, or the Presiding Officer assigned to a proceeding related to this Chapter may grant the waiver.

BASIS STATEMENT: The factual and policy basis for this Chapter is set forth in the Commission's Order Adopting Provisional Rule and Statement of Policy Basis, Docket No. 2001-701, issued on _____. Copies of this Statement and Order have been filed with the Chapter at Executive Director of the Legislative Council. Copies may also be obtained from the Administrative Director, Public Utilities Commission, 242 State Street, 18 State House Station, Augusta, Maine 04333-0018.

AUTHORITY: 35-A M.R.S.A. §§ 111, 314

EFFECTIVE DATE: This Chapter was approved as to form and legality by the Attorney General on April 11, 2002. It was filed with the Secretary of State on April 12, 2002 and will be effective on May 12, 2002.